

**SOUTH ANDERSON WATER DISTRICT**

P. O. BOX 17, 246 COURT STREET  
LAWRENCEBURG, KY 40342  
502-839-6919

April 20, 2006

RECEIVED

APR 24 2006

PUBLIC SERVICE  
COMMISSION

Commonwealth of Kentucky  
Public Service Commission  
Tariff Review Branch  
P. O. Box 615  
Frankfort, Kentucky 40601

Case 2006-00169

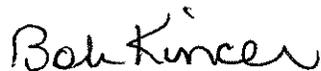
RE: Purchase Water Adjustment Request

Dear Sirs:

Transmitted herewith is a request to adjust the District's rates to cover the recent rate increase imposed by one of our suppliers the City of Lawrenceburg.

If there are any questions please contact either the District or our engineer, Ken Taylor with Kenvirons, Inc. at 502 695 4357.

Sincerely,



Bob Kincer  
Chairman

Attachments

PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND ASSOCIATIONS  
(807 KAR 5:068)

Case 2006-00169

South Anderson Water District

\_\_\_\_\_  
(Name of Utility)

April 20, 2006  
(Date)

246 Court Street  
(Address)

Lawrenceburg, KY 40342  
(City, State)

502 839 6919  
(Telephone Number)

**RECEIVED**  
**APR 24 2006**  
**PUBLIC SERVICE**  
**COMMISSION**

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Lawrenceburg</u>	<u>*</u>	<u>**</u>
<u>Frankfort Plant Board</u>	<u>\$1.418 / 1,000 gal.</u>	<u>\$1.539 / 1,000 gal.</u>
_____	_____	_____

\* \$2.08/ 1,000 gal. for first 8,000,000 gallons per month and \$1.94/ 1,000 gal. for all over 8,000,000 gal. per month

\*\* \$2.15/ 1,000 gal. for first 8,000,000 gallons per month and \$2.00/ 1,000 gal. for all over 8,000,000 gal. per month

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1.

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From March 2005 through February 2006  
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>Lawrenceburg</u>	<u>See Exhibit 2</u>
<u>Frankfort</u>	<u>See Exhibit 2</u>
TOTAL PURCHASES	<u>158,793,700</u>

4. Total sales for the 12 month period 140,313,350 gallons.

5. Increased water cost \$8,638.07.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.06/1,000 gallons.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date May 1, 2005.

Bob Kincer  
(Signature of Utility Officer)

Bob Kincer, Chairman  
(Title)

Exhibit 1 pg. 1



Mayor  
Bobby W. Sparrow

City Clerk / Administrator  
Edwinna Baker

Office  
502-839-5372

Fax  
502-839-5106

April 13, 2006

South Anderson Water District  
Post Office Box 17  
Lawrenceburg, KY 40342

Gentlemen:

This is to confirm that the City of Lawrenceburg began charging new rates to the South Anderson Water District effective March 01, 2006, in accord with the tariff it filed with the Kentucky Public Service Commission consistent with the most recent amendment of the Water Purchase Agreement between the parties. For the invoice issued in March, the preexisting rate was charged for the number of days in February covered by that bill.

Pursuant to the Public Service Commissioner's order, the new rate is being charged, subject to refund pending resolution of the ongoing proceedings before the Commission. If you have any questions relating to this matter, please do not hesitate to call.

Respectfully,

Bobby Sparrow, Mayor

Post-It® Fax Note	7671	Date	4-20	# of pages	1
To	KEN	From	BRENDA		
Co./Dept.		Co.	SAWD		
Phone #		Phone #			
Fax #		Fax #			

FOR Lawrenceburg, Kentucky  
Name of Municipality

P.S.C. KY. No. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

City of Lawrenceburg  
(Name of Municipal Utility)

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

South Anderson Water District

(I)	First 8 Million Gallons (@ \$2.15 per 1,000)	\$17,200.00	Minimum Bill
(I)	All Usage over 8 Million Gallons	2.00	Per 1,000 Gallons

(T) Per ORDINANCE 2006-03 (Amending Ordinance 2004-14) these rates shall be subject to change annually in accord with the increase in the Consumer Price Index as provided by the Kentucky Governor's Office for Local Development and, no more often than once every five years, based on the results of a Cost of Service Study.

(T) A Water purchase Contract, entered as of the 14th day of June, 2004, and an Amendment to Water Purchase Contract entered as of the 19th day of January, 2006, between the City of Lawrenceburg and the South Anderson Water District is on file at the offices of the Kentucky Public Service Commission.

DATE OF ISSUE January 25, 2006  
Month/Day/Year

DATE EFFECTIVE February 27, 2006  
Month/Day/Year

ISSUED BY Edurnia Baker  
(Signature of Officer)

TITLE City Clerk/Administrator

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ dated \_\_\_\_\_

South Anderson Water District				4/13/2006
Water Purchased				
	City of Lawrenceburg	Frankfort Plant Board	Total Purchased	Gallons Sold
March '05	9,302,000	1,858,200	11,160,200	9,528,600
April '05	8,761,000	1,903,600	10,664,600	8,386,020
May	10,698,000	1,834,700	12,532,700	10,251,200
June	8,658,900	2,083,500	10,742,400	10,769,300
July	12,154,000	2,750,300	14,904,300	13,963,200
Aug	13,975,000	3,722,400	17,697,400	16,174,260
Sept	14,254,000	3,580,700	17,834,700	16,239,890
Oct	10,472,000	3,435,900	13,907,900	12,004,600
Nov	10,516,000	2,994,800	13,510,800	11,769,540
Dec	9,514,000	2,486,000	12,000,000	10,474,200
Jan '06	9,261,000	2,053,800	11,314,800	10,194,300
Feb '06	10,402,000	2,121,900	12,523,900	10,558,240
	127,967,900	30,825,800	158,793,700	140,313,350
Cost of L'burg Water - Old Rate:		First 8,000,000/mo. @ \$2.08/1,000	\$199,680.00	
		Remaining @ \$1.94/1,000	\$62,017.73	
			\$261,697.73	
Cost of L'burg Water - New Rate:		First 8,000,000/mo. @ \$2.15/1,000	\$206,400.00	
		Remaining @ \$2.00/1,000	\$63,935.80	
			\$270,335.80	
Cost of Frankfort Water:		\$ 1.539/1,000	\$47,440.91	
Combined Cost at old rate:			\$309,138.63	
Combined Cost at new rate:			\$317,776.71	
Difference in cost:			\$8,638.07	

Exhibit 2

**PUBLIC NOTICE**  
**SOUTH ANDERSON WATER DISTRICT**  
**PURCHASED WATER ADJUSTMENT**

Due to an increase in the wholesale rate for water purchased from the City of Lawrenceburg, the South Anderson Water District has applied to the Kentucky Public Service Commission for a rate increase to cover its increased costs. The rates contained herein are the rates proposed by South Anderson Water District, however the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body public or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rates change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion including the status and interest of the party. Copies of the application may be obtained at no charge from the South Anderson Water District at 246 Court St., Lawrenceburg, KY 40342.

**MONTHLY WATER RATES**

	OLD RATE	NEW RATE
First 2,000 gallons	\$16.03	\$16.15 (minimum bill)
Next 1,000 gallons	7.85	7.91 per 1,000 gallons
Next 2,000 gallons	6.80	6.86 per 1,000 gallons
Next 2,000 gallons	5.81	5.87 per 1,000 gallons
Next 3,000 gallons	4.77	4.83 per 1,000 gallons
All over 10,000 gallons	4.44	4.50 per 1,000 gallons

The proposed rates are scheduled to go into effect with the first billing following May 1, 2006. The proposed rate increase will only recover the District's increase in the cost of purchased water.

FOR Anderson County, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 3<sup>rd</sup> Revised Sheet 4

South Anderson Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

---

**RATES AND CHARGES**

---

The following rates and charges are prescribed for the customers in the area served by South Anderson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

**Monthly Water Rates**

First	2,000 gallons	\$16.15 Minimum Bill
Next	1,000 gallons	7.91 per 1,000 gallons
Next	2,000 gallons	6.86 per 1,000 gallons
Next	2,000 gallons	5.87 per 1,000 gallons
Next	3,000 gallons	4.83 per 1,000 gallons
All over	10,000 gallons	4.50 per 1,000 gallons
Bulk Loading Station		3.57 per 1,000 gallons

---

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_